



MEMORANDUM

TO: Mayor and City Council

FROM: Rebecca Giello, Interim Director
Economic Development Department

DATE: May 9, 2018

SUBJECT: Economic Development Policy Materials

The purpose of this memorandum is to provide information related to the revision of the City of Austin's current Chapter 380 Performance-Based Contracts Policy. In March 2017, the Austin City Council approved Resolution No. 20170302-034 to initiate a stakeholder consultation process to develop recommendations for the City's Chapter 380 Performance-Based Contracts Policy. This memo provides additional information available online following the presentation by the Economic Development Department (EDD) to City Council at its May 8, 2018, Council Worksession.

The following draft policy documents are outlined below and available on the website www.austintexas.gov/investinaustin:

Economic Development Guiding Principles:

The Guiding Principles provide the fundamental overview of the City of Austin's proposed Economic Development policy objectives. This is the first time the City of Austin has identified a set of overarching values for Economic Development. The document provides context for a purposeful approach that aims to address the needs of the community; respond to the direction from City of Austin leadership; identifies the challenges facing the business community; and responds to market conditions to engage in proactive intervention.

Chapter 380 Policy Framework:

The Chapter 380 Policy sets up a structure to create market responsive programs that achieve Economic Development values as identified by the Guiding Principles. This framework will assist staff, Council, and potential program applicants understand the basic administrative components of future programs including the program creation process, project selection guidelines, program stewardship processes and regular reassessment periods.

Business Expansion Program Portfolio Guidelines:

The first program recommended under the new Guiding Principles and Chapter 380 Program framework is the Business Expansion Program Portfolio. This document outlines the goals of the program, intended outcomes, and three categories of incentives to employers that are designed to achieve those goals.

The Business Expansion Program Portfolio Program Guidelines addresses minimum requirements; general eligibility; exceptions and waivers; community benefits and bonuses; and overall project scoring and available incentive allocations.

Next Steps

The final phase of public engagement and Council feedback is planned through June 6, 2018. Council offices and the public will have the opportunity to review the proposed drafts of the Economic Development Policy before Council action on the new policy slated for June 14, 2018. The public is encouraged to review the proposed policy drafts and provide feedback via multiple channels.

EDD will be hosting a final Economic Development Policy “Wrap-Up” meeting on May 31, 2018 at 2 pm at Austin City Hall, Council Chambers, for an open discussion about the proposed policy direction. Key stakeholders will be consulted in one-on-one briefings with EDD staff during this period. In addition, an open comment portal is live and available through the website until June 6, 2018. That feedback will be collected and provided to Council prior to requested action.

If you have any questions, please contact David Colligan, Interim Assistant Director at 512-974-6381; or Julia Campbell, Business Expansion Program Manager at 512-974-7802.

xc: Spencer Cronk, City Manager
 Elaine Hart, Chief Financial Officer
 Greg Canally, Deputy Chief Financial Officer